



COLUMN

Global



'Sweeping changes to multilateral institutions and redesigning the global financial systems' rings the call from Antonio Guterres at his September address to the United Nations General Assembly. 'Existing global governance structures are failing to serve a

changing world'. Considering the role of actuaries in this changing world, the Japanese 'Ikigai' for a profession comes to mind. In addition to what we are skilled at, are passionate for and get paid for, we need to participate in the conversation to redesign the global financial system and translate global financial planning to local action. This will be hard.

In an attempt to focus on the global positive (and easier things) I thought of the 2023 Rugby World Cup in France. 'Do we cheer for New Zealand or France?' I checked in with South African friends during the opening match. 'We support the Southern Hemisphere, except in the finals' came the clear response. No sarcasm, no politics. No 'your enemy is my enemy behaviour'. Just as we like our rugby. Clear and honest.

Being home on both sides of the equator, I circled back to explore some concepts of the global south and global north and the challenges of this changing world. The global south broadly comprises Africa, Latin America and large parts of Asia. Characterised by higher populations and lower income, poorer infrastructure, lower resilience and often unstable politics – the challenges are quite different from developed economies. Reliance on fossil fuel for economic growth and job security is a reality. Basic human needs take precedence over global topics like climate change and technology.

The G20 has historically been responsible for the majority of CO2 emissions while the rest of the world faces the brunt of the long term impacts. In rugby terms, the 'South' is begging for a penalty try and a red card in the form of a loss and damage fund following decades of offside play. There is no referee on this global stage however.

It feels far out of our circle of influence. Concretely however, as actuaries part of a European and International Actuarial Association we have 3 areas of influence:

1. Investment and financing: both are needed for the transition to a fossil free economy and adaptation measures to increase resilience. In a high interest, high inflation economy this is even more challenging.
2. Risk and volatility: both are increasing and the existing insurance gap is widening. In addition we will need to find solutions for transferring funds between more and less wealthy economies to prevent and repair damage.
3. International legislation and regulations are converging in actuarial, accounting and tax areas. We can engage in dialogue to collectively agree on a new set of rules for the global financial system.

In closing, may I recommend 'Invictus' for a stormy autumn night movie – to boost your rugby knowledge, as example of reform to a system that enforced decades of unfair play and inspiration for cooperation on both local and international scale. And allow me a moment of moral high ground. The unity created by a fair game is much more valuable than the momentary pride of a winning team. On a professional level a feeling of purpose and contributing to the state of the world too.

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